



## **Advisory Brochure Form ADV Part 2A**

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Cincinnati, OH 45242  
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[www.lmkohn.com](http://www.lmkohn.com)

December 15, 2021

This Brochure provides information about the qualifications and business practices of L.M. Kohn & Company (LMK). If you have any questions about the contents of this Brochure, please contact us at 513-792-0301 or [comments@lmkohn.com](mailto:comments@lmkohn.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

LMK is a Registered Investment Adviser firm. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about LMK is also available via the SEC's web site [adviserinfo.sec.gov](http://adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with LMK who are registered, or are required to be registered, as investment adviser representatives of LMK.

## **Material Changes (Item 2)**

### *Annual Update*

The Material Changes section of this brochure will be updated at least annually or when material changes occur since the previous release of the Firm Brochure.

Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

The entire brochure is available on our website, [www.lmkohn.com](http://www.lmkohn.com), under Form ADV/Privacy Notice. If you do not have access to the internet and would like to receive a complete copy of the brochure, please contact Kristin Hobbs, Manager of Advisory Relations, at 513-792-0301 or [compliance@lmkohn.com](mailto:compliance@lmkohn.com).

**If you would like to receive future updates by email instead of by mail, please send your request and email address to [compliance@lmkohn.com](mailto:compliance@lmkohn.com).**

### ***Material Changes since Advisory Brochure Form ADV Part 2A dated 12/01/2020:***

- Item 4. At year end 12/31/2020 we removed The State Street Discretionary WRAP program from our client offerings.
- Item 11. Mike Bell has been named Chief Compliance Officer, replacing Carl R. Hollister who remains with the firm as Director, President, and Chief Operating Officer.
- Brochure Supplements (Part 2B of Form ADV) have been removed from the Advisory Brochure Part 2A.

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## Branch Information

#001.....10151 Carver Rd. Suite 100  
.....Cincinnati, OH 45242  
.....Doing Business As: L.M. Kohn & Company

#001..... One West Court Square, Suite 750  
..... Decatur, GA 30030  
.....Doing Business As: Art Rosser Financial Services Group

#001..... 14806 Floyd  
.....Overland Park, KS 66223  
..... Doing Business As: A. Turner Financial, LLC

#001..... 150 Grossman Dr. Suite 200  
.....Braintree, MA 02184  
.....Doing Business As: Butler Benefit Brokers, Inc.

#001..... 4965 U.S. Highway 42 Suite 1000  
..... Louisville, KY 40222  
..... Doing Business As: Carpenter Wealth Management, LLC

#001..... 5 Dartmouth Dr.  
.....Auburn, NH 03032  
.....Doing Business As: CGI Wealth Management

#001..... 18 North Fort Thomas Ave. Suite 107  
..... Fort Thomas, KY 41075  
..... Doing Business As: Citizens Financial Services

#001..... 210 East Drinker Street  
.....Dunmore, PA 18512  
.....Doing Business As: Conway Financial Group

#001..... 70 West 40th St. 8th Floor  
.....New York, NY 10018  
..... Doing Business As: Cornerstone Pension Consulting Inc.

#001.....One Sheakley Way  
.....Cincinnati, OH 45246  
..... Doing Business As: Group Plans Insurance Agency, Inc., a Division of Sheakley

#001.....4350 Brownsboro Rd. Suite 110A  
..... Louisville, KY 40207  
.....Doing Business As: JLA Capital LLC

#001.....5018 Sawyer Cove Way  
.....Windermere, FL 34786  
.....Doing Business As: JMK Wealth Advisors, LLC.

#001..... 6200 West 9th St. Unit 3  
.....Greeley, CO 80634  
.....Doing Business As: L.M. Kohn & Company

#001.....4840 Maritime Waters Court  
..... Orlando, FL 32803  
..... Doing Business As: L.M. Kohn & Company

#001..... 2150 Butterfield Dr. Suite 200  
..... Troy, MI 48084  
..... Doing Business As: L.M. Kohn North

#001.....1000 N. Magnolia Ave. Suite B  
..... Land O Lakes, FL 34638  
..... Doing Business As: Love & Associates

#001..... 4800 Fashion Sq Blvd Suite #490  
..... Saginaw, MI 48604  
..... Doing Business As: Norris & Company Wealth Management LLC.

#001..... 2229 Packard Street Suite 3  
..... Ann Arbor, MI 48104  
..... Doing Business As: Pilot Wealth Management

#001..... 212 East Drinker Street, Suite C  
..... Dunmore, PA 18512  
..... Doing Business As: Robert Bryan Fitzpatrick, P.C.

#001.....4880 36th Street NE Suite 203  
.....Grand Rapids, MI 49512  
..... Doing Business As: The Tatlan Group

#001.....2755 Juniper Ct.  
..... Troy, MI 48098  
..... Doing Business As: True Harbour Wealth Management

#001.....7961 Washington Woods Dr  
..... Dayton, OH 45459  
..... Doing Business As: Vision Financial Partners

#005.....2794 Mack Rd  
.....Fairfield, OH 45014  
..... Doing Business As: Lighthouse Agency Inc.

#009..... Towers of Kenwood, 8044 Montgomery Rd., Suite 700  
..... Cincinnati, OH 45236  
..... Doing Business As: Planning Works, LLC

#023.....1954 Evelyn Byrd Ave  
..... Harrisonburg, VA 22801  
..... Doing Business As: Loomis Wealth Management, LLC

#024.....9078 Union Centre Blvd., Suite 350  
..... West Chester, OH 45069  
..... Doing Business As: Kohn Wealth Management Advisors, LLC

#025.....521 Barret Ave  
..... Louisville, KY 40204  
..... Doing Business As: Green & Halliburton, Inc.

#IA033 ..... 209 Franklin St. Suite A1  
..... Cedar Falls, IA 50613  
..... Doing Business As: Financial Designs, LLC

#IA033 .....300 E. Bremer Ave. Suite 220  
..... Waverly, IA 50677  
..... Doing Business As: Paradigm Benefits, LLC

#KY030..... 4350 Brownsboro Rd. Suite 110  
..... Louisville, KY 40207  
.....Doing Business As: Aldyn Capital LLC

#MO032..... 7777 Bonhomme Ave., Suite 1616  
..... Clayton, MO 63105  
..... Doing Business As: Millennium Financial

#OH031..... 17601 W. 130th Street  
..... North Royalton, OH 44133  
.....Doing Business As: M3 Wealth Management / Healy Financial Services

#OH031..... 17601 W. 130th Street  
..... North Royalton, OH 44133  
..... Doing Business As: M3 Wealth Management / King Financial Inc.

#OH031..... 17601 W. 130th Street  
..... North Royalton, OH 44133  
.....Doing Business As: M3 Wealth Management / Pinzone Financial Services



## Advisory Business (Item 4)

### Firm Description

L.M. Kohn and Company (LMK) has multiple offices that operate under different business names for branding purposes. These offices have people who are Investment Adviser Representatives (IARs) of LMK. They are not separately registered as Registered Investment Advisers.

There are multiple different programs to choose from for accounts custodied at RBC. Your IAR will work with you to figure out which one would be the best fit. The list of programs and details pertaining to that program are as follows:

**UMAS – Discretionary:** There is a choice to have the IAR or a Third-Party Manager (TPM) have the discretion. This would be indicated on the LMK advisory agreement. This program can be WRAP or non – WRAP. If WRAP is chosen, then LMK would be the WRAP sponsor if the IAR has the discretion. If the TPM has the discretion, then that company would be the WRAP sponsor. There is also the ability to exclude assets or not participate in certain investment strategies.

**UMAS – Non-Discretionary:** This program can be WRAP or non – WRAP. If WRAP is chosen, then LMK would be the WRAP sponsor. This would be indicated on the LMK advisory agreement. There is also the ability to exclude assets or not participate in certain investment strategies.

**RBC Advisor – Non-Discretionary:** This product is part of the WRAP program. RBC is the WRAP sponsor. This would be indicated on the LMK advisory agreement. There is also the ability to exclude assets or not participate in certain investment strategies.

**RBC UP – Discretionary:** There is a choice to have the IAR or a Third-Party Manager (TPM) to have the discretion. This would be indicated on the LMK advisory agreement. This product is part of the WRAP program. If the IAR is managing the account, then LMK would be the WRAP sponsor. If the TPM has the discretion, then RBC would be the WRAP sponsor. There is also the ability to exclude assets or not participate in certain investment strategies.

**Consulting Solutions – Discretionary:** The Third-Party Manager (TPM) has discretion in this product. This would be indicated on the LMK advisory agreement. This product is part of the WRAP program. RBC would be the WRAP sponsor. There is also the ability to exclude assets or not participate in certain investment strategies.

**Investnet – Discretionary; UMAS – Discretionary:** There is a choice to have the IAR or a Third-Party Manager (TPM) to have the discretion. This would be indicated on the LMK advisory agreement. This product is in the WRAP program. Investnet is the WRAP sponsor. There is also the ability to exclude assets or not participate in certain investment strategies. Investnet is on the UMAS platform.

LMK provides personal financial planning and investment management to individuals, families and their related entities, trusts and estates, not for profit organizations, and family businesses. LMK works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, Education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client. LMK also offers services to small businesses relating to the design, structure, implementation and administration of employee benefit plans.

As a securities broker-dealer, the firm sells products or services in addition to investment advisory services. These products and services include but are not limited to equity securities (exchange-listed securities, securities traded over-the-counter, foreign issues, etc.), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, mutual fund shares, etc.), United States governmental securities, Unit Investment Trusts (UIT's), options contracts on securities and IPO's. Investment advice is also provided in investments such as CMOs, Mortgage-backed securities, U.S. Government Territory (for example Guam and the Virgin Islands) investments, as well as interest rate and index options. No referral fees are paid or received for advisory accounts. No benefits are received from custodians/broker-dealers based on client securities transactions ("soft dollar benefits"). Through our agreement with RBC Correspondent Service LLC, we do receive additional compensation in the form of rebates on RBC FDIC money market program and the RBC the credit interest program.

Assets under the direct management of LMK are held by independent custodians, including RBC Correspondent Services, a division of RBC Capital Markets, LLC, TD Ameritrade (TDA) or others, in the client's name. LMK does not act as a custodian of client assets, although we may at times be considered by the SEC to technically have "custody" over certain types of accounts held at independent custodians.

We may recommend other professionals (e.g., lawyers, accountants, insurance agents, real estate agents, etc.) at the request of

the client. Other professionals are engaged directly by the client on an as-needed basis even when recommended by the advisor. Conflicts of interest will be disclosed to the client and managed in the best interest of the client.

## **Principal Owners**

Larry M. Kohn is a Director and Chief Executive Officer.

Carl R. Hollister is a Director, President, and Chief Operating Officer.

Andrew L. Kohn is a Director

Terrence Donnellon is a Director and Secretary. He is also separately employed as an attorney by Donnellon, Donnellon and Miller (DD&M), a law firm. Clients of LMK may be referred to DD&M and vice versa. However, no referral fees of any kind will be paid by either party for said referrals.

## **Types of Advisory Services**

The primary type of advisory service offered by LMK is investment management and financial planning. In performing its services, LMK is not required to verify any information received from the client or from the client's other professionals. Each client is advised that it remains his/her responsibility to promptly notify LMK when there is any change in his/her financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services.

The following are typical investment planning arrangements offered to clients:

## **Investment Management Services**

This service includes financial planning, implementation, and ongoing asset management / monitoring services. This service may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, Education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning or other issues specific to the client. The engagement also includes implementation of recommendations accepted by client, unlimited telephone support, meetings as required, on-going financial planning services, reminders of the specific courses of action that need to be taken, and quarterly, semi-annual or annual written portfolio reviews as negotiated with each client. More frequent reviews may occur but are not necessarily communicated to the client unless significant changes are recommended.

## **Fee Based Programs Offered Through RBC Correspondent Services:**

In a discretionary account, the customer gives the Portfolio Manager the authorization to make purchases and sales in the account without first obtaining the customer's permission. In a non-discretionary account, the portfolio manager must obtain the customer's permission to make purchases and sales. LMK advisory accounts may be discretionary or non-discretionary, as described in each advisory agreement.

### ***RBC Advisor:***

The Advisor Program allows the IAR to provide the client with customized, professional investment advice. The IAR develops an asset allocation strategy suited to the client's needs. This non-discretionary platform offers access to a wide variety of securities, no sales charges or transaction fees, complimentary Investment Account Access (Visa Gold Debit Card/Rewards Program) as well as free check writing. An Advisory Master Service Agreement (AMSA) contract is required to be on file, this contract allows the advisor to streamline account maintenance and changes to existing accounts. The AMSA contract allows the advisor to accept verbal instructions to open, change or maintain an RBC Advisor account. Please see RBC advisory programs disclosure document for additional disclosures.

### ***Unbundled Managed Account Solutions (UMAS):***

An unbundled, managed account platform that offers an A La Carte offering list with flexible billing options as well as comprehensive portfolio management tools. These tools are chosen after the client and Financial Consultant review and execute the LMK RIA Agreement. Reports may include market commentary, summary reports, risk comparison statistics utilizing Riskalyze, asset allocation market values, cash flows, and portfolio evaluation. Outside Money Manager Portfolios may also be included in the reporting. The UMAS program also allows the IAR to provide the client with customized, professional investment advice. The IAR develops an asset allocation strategy suited to the client's needs. UMAS accounts may be non-discretionary or discretionary, as described in each advisory agreement.

### ***RBC Unified Portfolio (RBC UP):***

RBC UP is an advisory program that combines the functionalities of many advisory platforms into one account. RBC UP may be offered on a discretionary basis. This program allows advisors to choose from several different products including third-party managers, mutual funds, ETFs, and more while combining them into one account with one statement and one 1099. These different types of investment selections are billed at the sleeve level which may enable lower overall management fees than if separated into different accounts. This program is powered by Envestnet's technology, which RBC has leverage for the use of this program, containing a robust proposal tool, performance reporting, and more. An Advisory Master Service Agreement (AMSA) contract is required to be on file, this contract allows the advisor to streamline account maintenance and changes to existing accounts. The AMSA contract allows the advisor to accept verbal instructions to open, change or maintain an RBC UP account. Please see RBC advisory programs disclosure document for additional disclosures

### ***Consulting Solutions:***

This program provides participants discretionary investment management services. The portfolio management services feature a select group of independent investment advisors which RBC Correspondent Services has previously reviewed as sub advisors in the program through a due diligence screening process. IAR will review the client's advisory needs, as well as other objectives and risk tolerances, and assist the client in selecting an appropriate advisor(s) from the group.

RBC Correspondent Services retains the right to remove any Third-Party Manager (TPM) on their platforms of offerings. another. However, any change in TPM must be approved by the client. An Advisory Master Service Agreement (AMSA) contract is required to be on file, this contract allows the advisor to streamline account maintenance and changes to existing accounts. The AMSA contract allows the advisor to accept verbal instructions to open, change or maintain a Consulting Solutions account. Please see RBC advisory programs disclosure document for additional disclosures.

### **WRAP Program**

LMK offers a program whereby our investment adviser representative will manage clients' assets within a brokerage account for a single fee that includes portfolio management services, reporting and transaction costs. Under this program, we offer investment advice designed to assist clients with professional management of their investments for a convenient single "WRAP fee." WRAP" accounts may be non-discretionary or discretionary, as described in each advisory agreement. More information about the program is available in our WRAP Fee Program Brochure.

### **Model Portfolios**

For qualified clients, a small number of IAR's may recommend a predetermined model portfolio. When recommending a model portfolio, the Advisor takes into consideration suitability issues such as risk tolerance, investment objective, etc., however, it is disclosed to the client that the actual investment transactions in the portfolio are strictly governed by the model and not chosen by the advisor. These transactions do not take into consideration client tax sensitivity, time horizon, or other suitability considerations. The IAR has no control over the realized capital gains or losses (short term or long term) produced by the portfolio which may affect the customer's tax liabilities. Model Portfolio accounts are discretionary accounts.

Depending on the model type, the IAR receives the information regarding portfolio changes either from email alerts, newsletters, or quarterly updates, therefore, the trades performed by the IAR will not be priced the same as the trades performed by the model. Past performance of the model does not guarantee future results. The investment return and principal value of the investment when sold or redeemed may be worth more or less than the original cost.

### **Financial Planning**

This service includes financial planning only. No implementation services or ongoing asset management services are provided. Financial planning may include identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, small business planning issues, fringe benefits, special needs planning or other issues specific to the client.

At LMK, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence and are used to determine the course of action for each individual client. The goals and objectives for each client are documented in our client relationship management system and in client files, either in hard copy or in electronic files.

Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed and dated by the client, IAR and the separate account manager if applicable. Agreements may not be assigned without client consent.

In general, the financial plan will address any or all the following areas of concern:

**PERSONAL:** Family records, budgeting, personal liability, estate information and financial goals.

**TAX & CASH FLOW:** Income tax and spending analysis and planning for the past, current and future years. IAR will illustrate the impact of various investments on a client's current income tax and future tax liability.

**DEATH AND DISABILITY:** Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.

**RETIREMENT:** Analysis of current strategies and investment plans to help the client achieve his or her retirement goals.

**INVESTMENTS:** Analysis of investment alternatives and their effect on a client's portfolio.

IAR gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes toward risk. Related documents supplied by the client are carefully reviewed, including a questionnaire completed by the client, and a written report is prepared. Should a client choose to implement the recommendations contained in the plan, IAR suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion.

Flat or hourly fees may be charged for LMK's Financial Planning services. Each Financial Plan will be unique and different for each client. A list of services being completed will accompany the LMK Advisory Agreement. Clients may choose to execute brokerage or insurance recommendations through the associated persons of LMK in their separate capacity as registered representatives of LMK, and independent insurance agents of various agencies.

Under these circumstances, these individuals will receive separate, yet customary commission compensation in this capacity. If LMK clients do not choose to implement recommendations through LMK, the firm may or may not be compensated for its Financial Planning service.

In addition, it is LMK's hope that these Financial Planning clients will opt to contract with LMK for money management services. However, Financial Planning clients are free to use any adviser they choose.

## Money Manager Search and Monitoring

LMK IAR's may recommend non-affiliated investment adviser (money manager) to some clients. Based on a client's individual circumstances and needs, IAR will determine which money manager's portfolio management is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client, tax issues relevant to the client, and the investment philosophy of the independent advisor. Clients should refer to the money manager's advisory agreement, ADV/Program Brochure and form CRS for a full description of the services offered. IAR will meet with the client on a regular basis, or as determined by the client, to review the account. LMK maintains a list of Firm approved money managers for IARs and their clients to choose from. Such third-party manager arrangements are contracted separately, and their advisory fees are charged to clients separately from LMK advisory fees.

If LMK believes that a particular money manager is performing inadequately, or if LMK believes that a different manager is more suitable for a client's particular needs, then IAR may suggest that the client contract with a different money manager.

## Advisory and Consulting Services

This service is to aid plan sponsors in achieving compliant and successful retirement plan services. These objectives may include:

- Design and adopt an Investment Policy Statement (IPS)
- Implement a mutual fund platform
- Create and execute an indemnification program for fiduciaries
- Maintain and update an Advisory File
- Review plan documents for compliance and latest updates

## Special Projects

Projects may be undertaken that are not described in other types of agreements, including implementation of Financial Planning recommendations, periodic investment portfolio review, assistance with tax planning, employee benefit plan administration or other services specifically requested by the client.

## Tailored Relationships

At LMK, advisory services are tailored to the individual needs of clients. Client goals and objectives are clarified in meetings and via correspondence and are used to determine the course of action for each individual client. The goals and objectives for each client are documented on the New Account form or the Customer Acknowledgment form and in client files, either in hard copy or in electronic files. Agreements may not be assigned without client consent.

## Managed Assets

LMK manages assets on either a discretionary or nondiscretionary basis. We have approximately \$1,816,084,804.13 in client assets under management. There are \$591,657,420.61 managed on a discretionary basis and \$1,224,427,383.52 in client assets managed on a non-discretionary basis. Together, these assets represent approximately 2,390 client households.

## Fees and Compensation (Item 5)

### Description

The specific way fees are charged by LMK is established in a client's written Advisory Services Agreement with LMK.

### Primary Fee Schedule for LMK Advisory Services

Asset Based Fee that can be charged by the IAR as the advisor's fee - Range: 0.25% - 3%, annually based on assets/services rendered. IAR and the client may discount advisory fees upon mutual agreement and may take into account householding of client assets. Advisory fees are charged on a quarterly basis and will be invoiced to the client or debited from a client directed account, unless otherwise specifically annotated on the advisory contract. Any fee that a Third-Party Administrator charges in addition to the IAR's fee will be indicated on the LMK agreement or Statement of Investment Selection (SIS).

### Fee Schedule for Consulting Solutions (Non-Model Based\*) Account Platform Offered Through RBC Correspondent Services

Asset Based Fee - charged on a quarterly basis at the beginning of each quarter. The following fee schedule does not include the Third-Party Manager's fees which range from 0.17% - 0.80%. The Third-Party Manager's fee will be reflected on the L.M. Kohn advisory agreement or SIS.

\$100,000 - \$249,999	0.40% to 2.5%
\$250,000 - \$499,999	0.35% to 2.5%
\$500,000 - \$999,999	0.31% to 2.5%
\$1,000,000 - \$1,999,999	0.30% to 2.0%
\$2,000,000 - \$2,999,999	0.28% to 2.0%
\$3,000,000 - \$4,999,999	0.26% to 2.0%
\$5,000,000+	Negotiable

### Fee Schedule for RBC Unified Portfolio (RBC Up) Program Offered Through RBC Correspondent Services

Asset Based Fee – charged on a quarterly basis at the beginning of each quarter. The following fee schedule reflects a maximum of three levels of fees: advisor fee, program fee, and manager fee. An all-in client fee is reflected on the SIS as the "Client Fee", which will also match the fee stated on the L.M. Kohn advisory agreement. If a third-party manager is selected, manager fees can range from 0.00% - 0.65%. Fees are billed at the account level.

\$25,000 - \$99,999	0.50% to 3.0%
\$100,000 - \$249,999	0.45% to 3.0%
\$250,000 - \$499,999	0.40% to 3.0%
\$500,000 - \$999,999	0.36% to 3.0%
\$1,000,000 - \$1,999,999	0.35% to 2.5%
\$2,000,000 - \$2,999,999	0.33% to 2.5%
\$3,000,000+	0.31% to 2.5%

*\*Overlay services may provide for 5 basis points, with an additional 5 basis points for tax management / impact investing.*

### Fee Schedule for RBC Advisor Platform Offered Through RBC Correspondent Services

Asset Based Fee - charged on a quarterly basis at the beginning of each quarter.

\$25,000 - \$250,000	0.55% to 2.75%
\$250,001 - \$1,000,000	0.55% to 2.75%
\$1,000,001 - \$3,000,000	0.45% to 2.00%
\$3,000,001 - \$5,000,000	0.30% to 2.00%
\$5,000,001 - \$10,000,000	0.20% to 2.00%
Above \$10,000,001	Negotiable

*\*Clients electing to utilize the Tax Management Services option, will be assessed an additional 10 basis point fee.*

## **Fee Schedule for Unbundled Managed Account Solutions (UMAS) Offered Through RBC Correspondent Services**

Asset Based Fee - Range: 0.25% - 3.0% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis and will be invoiced to the client or debited from a client directed account. In most cases clients will be invoiced in advance per calendar quarter based upon the month end values (market value and fair market value in the absence of market value, plus any credit balance or minus any debit balance on a time weighted basis for all percent asset-based fees), of the client's account during the previous quarter. Fee adjustment transactions will be placed in the account.

Non-WRAP program accounts under the UMAS or brokerage platform may have agency commissions charged to cover execution and order processing costs not to exceed \$30.00 per transaction. This will be disclosed on the advisory agreement. This will include mutual fund, UIT, fixed income, option, ETF and equity transactions.

Investnet offers Advisors and Clients with a range of investment advisory tools for use by Advisors with their Clients through its Private Wealth Management Programs. Investnet also offers to Advisors and Clients a platform for SMA (Separately Managed Account) or UMA (Unified Managed Account) with Third Party Managers, whereby Investnet provides only administrative and technology services. Investnet fees paid by the client are listed on the client's *Statement of Investment Selection* as the Sponsor Fee. Advisor determines for each client which services and Programs of Investnet to utilize and this may include the utilization of services of other third-party service providers in conjunction with the Programs. Advisory fees are charged on a quarterly basis in advance and will be debited from the client account. Investnet fees paid by the client are listed on the client's *Statement of Investment Selection* as the Sponsor Fee. The full fee schedule including the breakpoint tiering structure will be shown in the SIS. Accounts will be prorated for all deposits and withdrawals (principal not income) in the amount of \$10,000.00.

## **Fee Schedules for Accounts Held at TD Ameritrade**

Asset Based Fee - Range: 0.25% - 3.0% annually based on assets/services rendered. Advisory fees are charged on a quarterly basis in arrears during the first month of each calendar quarter (January, April, July, and October) and are based on a percentage of the Average Daily Balance for the portfolio. The first billing cycle begins the end of the first calendar quarter of the account being funded and is prorated based on the number of days in the calendar quarter. Accumulated values are calculated each day of the period. The accumulation is then divided by the total number of days the assets units balance was non-zero in the period. The average asset balances are summed to obtain an Average Daily Balance for the portfolio.

As documented on the advisory agreement, the advisor and client may choose the WRAP Fee Program (to charge a single fee that includes portfolio management services, reporting and transaction costs) or to have the transaction costs billed separately to the account. TD Ameritrade offers zero commissions for both stock and ETF transactions as well as \$.60 per contract for option trades. The transaction costs for mutual funds not on their NTF (no ticket fee) platform are \$19.99 per trade. Fixed income agency transactions are also subject to a transaction cost of \$19.99.

## **Alternatives**

**Flat Fee** - As an alternative, clients may also elect to receive advisory services for an annual flat fee which will be billed quarterly in arrears ranging from \$200 to \$6000 per year depending on the nature of the advisory services provided and the client's financial circumstances.

**Financial Plan** - The fee amount for a written financial plan may be based on an hourly rate not to exceed \$250.00 per hour or based on a negotiated set fee amount stated in the Advisory Agreement. Whichever method is chosen, the total fee for a written financial plan may not exceed \$3,500.00 within a 12-month period.

**Investment Management and Consulting Services** – Fees for Investment Management and Consulting Services are negotiated on a case-by-case scenario and are based on the estimated time and work involved for the services that are being provided. The fee

for these services may be an annual flat fee not to exceed \$5,000 within a 12-month period or an asset-based fee range of 0.25% - 3.0% annually. Fees are billed quarterly.

## **Wrap Fees**

“WRAP Fee” arrangements wherein the broker or dealer may recommend retention of LMK or retention of another investment adviser, pay LMK’s and/or another adviser’s investment advisory fee on behalf of the client, monitor and evaluate LMK’s and/or another adviser’s performance, execute the client’s portfolio transactions without commission charge, and provide custodial services for the client’s assets, or provide any combination of these or other services, all for a single fee paid by the client to the broker dealer. In evaluating such an arrangement, a client should recognize that brokerage commissions for the execution of transactions in the client’s account are not negotiated by LMK and/or another investment adviser. Transactions are executed “net” i.e., without commission, and a portion of the WRAP fee is generally considered as being in lieu of execution fees.

Trades are cleared thru the broker dealer acting as a custodian of the client account. Our experience indicates that certain broker dealers under clients’ WRAP fee agreements generally can offer best price for transactions in listed equity securities. But no assurance can be given that such will continue to be the case with those or other broker dealers which offer WRAP fee arrangements, nor with respect to transactions in other types of securities. Accordingly, the client may wish to satisfy himself that the broker dealer offering the “WRAP fee” arrangement can provide adequate price and execution of most or all transactions. The client should also consider that depending upon the level of the WRAP fee charged by the broker dealer, the amount of the portfolio activity in the client’s account, the value of custodial and other services which are provided under the arrangement and other factors, the WRAP fee may or may not exceed the aggregate cost of such services if they were to be provided separately; particularly if LMK and/or another investment adviser were free to negotiate commissions and seek best price and execution of transactions for the client’s account. Fees are paid quarterly, in advance. LMK will quote an exact percentage to each client based on both the nature (whether equity, balanced, or fixed income) and total dollar value of that account. Clients will be invoiced quarterly depending on their specific agreement. All “WRAP” fees are negotiable between LMK and the participating client.

Consulting Solutions and RBC UP WRAP-fee program participants should reference RBC Correspondent Services Schedule H WRAP-fee disclosure document for further information regarding fees for each separate program.

L.M. Kohn & Company WRAP-fee program participants must be provided with a copy of the L.M. Kohn & Company WRAP Fee Brochure.

## **Solicitor Arrangements**

Contractually, LMK may be paid by the independent adviser for whom it solicits, based on a percentage of the client’s managed assets (ranging from 0.3% to 1.0%), which is in addition to the independent investment adviser’s annual management fee, depending on the size of the account. LMK may also, at its discretion, charge management fees ranging from 1% to 3%, from which LMK is responsible for payment to the underlying manager. In other cases, Third Party Manager Arrangements are contracted separately, and their advisory fees charged to clients separately from LMK advisory fees. The management fee is disclosed in the independent investment adviser’s disclosure document (Part II of Form ADV or other disclosure document in lieu of part II).

## **Commissions and Fees Offset by Commissions**

Some RBC Platforms or the standard LMK Advisory Services Agreement allow for the charging of commissions in addition to advisory fees for non-WRAP accounts. The client must initial the advisory contract to authorize executions costs to be charged to the client transaction. In non-WRAP accounts IAR’s may charge a nominal commission to cover execution costs in addition to investment advisory fees; in no case will a commission exceed \$30.00 per transaction. There will be no principal transactions in any L.M. Kohn & Company advisory account unless that specific asset has been excluded from the fee calculation. Additionally, there will be no agency cross transactions with any advisory account. All fixed income transactions will be executed on an agency basis and will be bought or sold at the best prevailing price based on liquidity and quantity. For sales of fixed income securities TRAQs (FINRA MARKET DATA) and EMMA (MSRB trade reporting) will be utilized for price and quantity comparisons as well as the use of bona fide Brokers Broker in obtaining bids on securities for sale. LMK urges clients to have a clear understanding of the estimated number of transactions that the advisor intends to recommend for the client on an annual basis and how the execution costs will impact the expenses of these transactions before initialing and signing this agreement.

A 12b-1 fee is an annual marketing or distribution fee on a mutual fund. It is LMK’s policy to always use the lowest expense share class of a mutual fund in advisory accounts. However, sometimes the lowest expense share class of a particular fund family also pays an ongoing 12b-1 fee. This could prove to be a conflict of interest for advisors or firms to recommend the funds which also pay an ongoing 12b-1 fee. It is generally between 0.25% and 1.0% (the maximum allowed) of a fund's net assets. To mitigate this conflict of interest, we have arranged for 12b-1 fees to be automatically rebated back to client accounts on all of RBC’s advisory

platforms. TDA, as a qualified custodian Broker / Dealer, retains any 12b-1 fees within those accounts and does not share any part of them with LMK or our IAR's.

## **Fees for ERISA Covered Plans**

Pursuant to the Employee Retirement Income and Securities Act (ERISA), and regulations under the Internal Revenue Code of 1986 (the "Code"), our firm is subject to specific duties and obligations. ERISA section 408(b)(2) requires covered service providers to ERISA plans to disclose information regarding their services and compensation received for such services to responsible plan fiduciaries. This final regulation establishes specific disclosure obligations for covered service providers to ensure that responsible plan fiduciaries are provided with the required information they need to make more informed decisions when selecting and monitoring service providers for their plans. The 408(b)(2) regulation amends a prohibited transaction rule under ERISA and the Internal Revenue Code (the "Code"), that states that it is a prohibited transaction for a "covered plan" to enter an arrangement with a covered service provider unless the arrangement is reasonable, and the compensation being received by the service provider is reasonable.

## **General Information on Fees**

In certain circumstances, all fees and/or account minimums may be negotiable. However, clients participating in any of the RBC Correspondent Services WRAP-fee programs should refer to the Schedule H of the program they are in for further information.

The fee charged is calculated is not charged based on a share of capital gains upon or capital appreciation of the funds or any portion of funds of an advisory client (SEC Rule 205(a)(1)).

A client agreement may be cancelled at any time, by either party, for any reason upon receipt of 30 days written or verbal notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

All fees paid to LMK for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds, UIT's and ETFs to their shareholders. These fees and expenses are described on each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee.

Accordingly, the client should review both the fees charged by the funds and the fees charged by LMK to fully understand the total amount of fees to be paid by the client and to evaluate the advisory services being provided.

## **Fee Billing**

LMK will bill its fees on a quarterly basis in advance for accounts custodied at RBC. LMK will bill its fees in arrears for accounts custodied at TD Ameritrade. Clients may elect to be billed directly for fees or to authorize LMK to directly debit fees from client accounts. It is LMK's policy that performance reporting be calculated net of fees, however, when fees are paid from outside funds, this is not possible. In other words, when fees are not debited directly from the account, the reported performance will be higher than when fees are debited directly from the account.

Management fees charged in advance shall be calculated based on the market value at the end of the previous quarterly period and will be adjusted for in quarter deposits. Accounts initiated or terminated during a quarterly billing period will be charged a prorated fee. Clients are entitled to terminate their Advisory Services Agreement with LMK upon 30 days written or verbal notice to LMK of such termination. Unearned fees will be refunded to the clients' account. Upon termination of any account, unpaid fees will be due and payable. Special Projects services are billed for services rendered.

## **Other Fees**

LMK's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment managers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to LMK's fee, and LMK shall not receive any portion of these commissions, fees, and costs.

Please see the section entitled "Brokerage Practices" on pages 21-22 for more information.

## **Past due Accounts and Termination of Agreement**

LMK reserves the right to stop work on any account that is more than 60 days overdue. In addition, LMK reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate to providing proper financial advice, per the judgment of



LMK. Clients may terminate their agreement at any time by providing written or verbal notice. Terminating clients will receive an itemized bill for work completed.

## **Compensation for Sales of Investment Products**

Unless specifically disclosed on the Advisory Agreement, LMK does not sell securities that pay a commission. Mutual funds, index funds and exchange-traded funds of all types charge their shareholders various advisory fees and expenses associated with the establishment and operation of the funds. For WRAP accounts there is no additional commission or ticket charge generated and for non – WRAP accounts there is an allowance of up to \$30 commission to cover ticket charges. This would be identified on the L.M. Kohn advisory agreement. Each fund's prospectus describes these fees and expenses, which generally include a management fee, shareholder servicing, portfolio transaction costs, other fund expenses, and sometimes a distribution fee. These separate mutual fund fees are disclosed in each fund's current prospectus, which is available from the mutual fund and, upon request, from us.

Consequently, for any type of mutual fund investment, it is important to understand that investors are directly, and indirectly, paying two levels of advisory fees and expenses: one layer of fees at the fund level and one layer of advisory fees and expenses to LMK or RBC. Most mutual funds may be purchased directly, without using our services and incurring our advisory fees. Many mutual funds also pay shareholder servicing fees (12b-1 fees) to brokerage firms, and their registered representatives, in consideration of their services to the fund's shareholders. Clients have the option of purchasing investment products that are recommended by LMK through other brokers or agents not affiliated with LMK. It is the policy of L.M. Kohn for IAR's to utilize the lowest cost share class fund available on the RBC or TDA platforms for mutual funds recommended and/or purchased for L.M. Kohn advisory accounts. However, sometimes the lowest expense share class of a particular fund family also pays an ongoing 12b-1 fee. In these instances, RBC will automatically rebate the 12b-1 fee back to your account, regardless of if it is a qualified or non-qualified plan account. TDA, as a qualified custodian Broker / Dealer, retains any if at all, 12b-1 fees within those accounts and does not share any part of them with the firm or our IAR's.

## **Performance-Based Fees (Item 6)**

### **Sharing of Capital Gains**

LMK does not use a performance-based fee structure. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client. However, the nature of asset-based fees allows LMK to participate in the growth of the client's portfolio. This also means that our fees can decline when the client's portfolio declines in value.

## **Types of Clients (Item 7)**

### **Description**

LMK generally provides investment advice to individuals, high net worth individuals, families, trusts, qualified retirement plans, not for profit organizations, estates, and businesses. Advice may extend to entities related to the client such as small businesses and charitable organizations, including foundations and endowments. Client relationships vary in scope, asset under management and length of relationship with IAR.

## **Methods of Analysis, Investment Strategies and Risk of Loss (Item 8)**

### **Methods of Analysis**

Security analysis methods at LMK use a combination of methods including fundamental analysis, the valuation method and technical analysis. The main sources of information include Morningstar reports, fund prospectuses, S&P reports, Thompson Reuters Stock Reports, financial newspapers and magazines, research materials prepared by others, filings with the Securities and Exchange Commission, and annual reports. Employees of LMK may also attend on- and off-site visits with fund and portfolio managers, conference calls, and industry conferences. We believe these resources for information are reliable and we regularly depend on them for making our investment decisions; however, we are not responsible for the accuracy or completeness of this information.

Fundamental analysis is a technique that attempts to determine a security's value by focusing on the economic well-being of a financial entity as opposed to only its price movements. When conducting fundamental analysis, we will review a company's financial statements and consider factors including, but not limited to, whether the company's revenue is growing, if the company is profitable, if the company is in a strong enough position to beat its competitors in the future, and if the company is able to repay its debts. Because it can take a long time for a company's value to be reflected in the market, the risk associated with this method of analysis is that a gain is not realized until the stock's market price rises to the company's true value.

The valuation method is a technique used to calculate a theoretical value for a security to estimate potential future market prices. When utilizing the valuation method, we will review such things as a security's earnings per share, price to earnings, and growth rate.

We also utilize technical analysis to evaluate potential investments. Unlike fundamental analysis, technical analysis does not analyze the company's value, instead analyzes the stock's price movement in the market. Charting is a form of technical analysis in which the various technical factors are diagrammed to illustrate patterns. Technical analysis studies the supply and demand in the market to determine what direction, or trend, will continue in the future. However, there are risks involved with this method, including the risk that the trends will change unpredictably, which is why we use a combination of methods and sources.

## **Investment Strategies**

We may use passively managed index and exchange-traded funds when appropriate for the client and actively managed funds, stocks, options, certificate of deposits and individual government, corporate, or municipal bonds where there are opportunities to make a difference by security selection. We may recommend implementing one or more investment strategies including: long-term purchases (held at least a year), short term purchases (held less than a year), active trading (held less than 30 days), short sales (selling of a security that the seller does not own, based on the assumption that the seller will be able to buy the stock at a lower amount than the price at which the seller sold short), margin transactions (purchase of a security on credit extended by a broker/ dealer), and option writing (selling an option).

The investment strategy for a specific client is based upon the clients' objectives, risk, income needs, and tax situation stated by the client during consultations. The client may change these objectives at any time. Each client portfolio is constructed solely for that client.

## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach keeps the risk of loss in mind. However, as with all investments, clients face investment risks including the following: Loss of Principal Risk, Interest-rate Risk, Market Risk, Inflation Risk, Currency Risk, Reinvestment Risk, Business Risk, Liquidity Risk, and Financial Risk.

## **Disciplinary Information (Item 9)**

### **Legal and Disciplinary**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of LMK or the integrity of LMK's management. LMK did self-report under the S.E.C. Share Class Disclosure Initiative in August of 2018. LMK was issued a Cease-and-Desist order on March 11, 2019, as part of the Share Class Disclosure Initiative. Disciplinary events and disclosures for individual IAR's are described in Brochure Supplement (Part 2b).

### **L.M. Kohn and Company Disclosure:**

LMK had one advisory program that was not automatically rebating mutual fund 12b-1 fees to client accounts. LMK discovered this error and corrected the error by crediting each affected client account the 12b-1 fees received. These credits were made in June and July of 2018. In June 2019 as part of the Cease-and-Desist Order dated March 11, 2019 issued by the S.E.C. LMK credited each affected account prejudgment interest for the accounts credited the 12b-1 fees.

The Cease-and-Desist Order Release 5152, March 11, 2019: the securities and exchange commission deems it appropriate and in the public interest that public administrative and cease-and-desist proceedings be instituted against L.M. Kohn & company ("respondent"). Based on this order and respondent's offer, the commission finds that these proceedings arise out of breaches of advisory duty and inadequate disclosures by the respondent in connection with its mutual fund share class selection practices and the fees it received. At times during the relevant period, respondent purchased, recommended, or held for advisory clients' mutual fund share classes that charged 12b-1 fees instead of lower-cost share classes of the same funds for which the clients were eligible. Respondent received 12b-1 fees in connection with these investments. Respondent failed to disclose in its Form ADV or otherwise the conflicts of interest related to (a) its receipt of 12b-1 fees, and/or (b) its selection of mutual fund share classes that pay such fees. During the relevant period, respondent received 12b-1 fees for advising clients to invest in or hold such mutual fund share classes. As a result of the conduct, respondent willfully violated sections 206(2) and 207 of the advisers' act.

Undertakings and Prejudgment interest.

The respondent shall cease and desist from committing or causing any violations and any future violations of sections 206(2) and 207 of the adviser's act. Respondent is censured, shall pay disgorgement of \$542,082.10 and prejudgment interest of \$44,800.65, and shall comply with the undertakings enumerated in the offer of settlement.

Respondent has submitted an offer of settlement which the commission has determined to accept. In view of the foregoing, the

commission deems it appropriate in the public interest to impose the sanctions agreed to in the respondent's offer. Respondent self-reported to the commission the violations discussed in this order pursuant to the division of enforcement's share class selection disclosure initiative ("SCSD initiative"). Accordingly, this order and respondent's offer are based on the information self-reported by respondent.

## **RBC Capital Markets Disclosure:**

To all clients that have signed an Advisory Master Services Agreement and/or clients with Consulting Solutions, Managed Account Program, Portfolio Focus, RBC Advisor, or RBC Unified Portfolio accounts:

Item 4. Services, Fees and Compensation: section titled "Risks and Tax Considerations", subsection titled "Risks Relating to Extension of Credit and Collateral" For clients that use margin in Program accounts, RBC Capital Markets, LLC ("RBC CM") is permitted to lend or utilize margin securities in our possession and receives compensation in connection with the use of such securities.

Item 4. Services, Fees and Compensation: section titled "Program Fees", subsection titled "Calculation of Program Fees" We have added disclosure language pertaining to Program Fee adjustment and corrections.

Item 9. Additional information: section titled "Disciplinary Information" RBC Clearing and Custody is a division of RBC Capital Markets, LLC and in each of the instances described below, we entered into various orders, consents and settlements without admitting or denying any of the allegations. Without admitting or denying the findings, on December 15, 2020, RBC CM consented to the sanctions and to the entry of findings that it failed to establish and maintain a supervisory system reasonably designed to supervise representatives' recommendations to customers to purchase particular share classes of 529 college savings plans. The findings stated that RBC CM did not provide adequate guidance to representatives regarding the importance of considering share class differences when recommending 529 plans and had no procedures requiring supervisors to review 529 plan share class recommendations for suitability. RBC CM updated its procedures to include such a requirement, but the updated procedures failed to adequately instruct supervisors to consider either the age of the beneficiary or the number of years until expected withdrawals, both critical factors in determining the suitability of the recommended share class. Also, RBC CM did not consistently provide supervisors with the information necessary to review the suitability of 529 plan share class recommendations. Later, RBC CM issued a company-wide compliance alert that provided guidance to representatives regarding 529 plan share class recommendations. RBC CM then updated its supervisory systems and procedures with respect to 529 share class recommendations. Among other things, RBC CM instructed supervisors to consider the age of the beneficiary when assessing the suitability of a representative's 529 share class recommendation. RBC CM has agreed to pay restitution and interest relating to the sale of class C shares to certain 529 plan customers in the estimated amount of \$839,803.

Item 9. Additional information: section titled "Other Financial Industry Activities and Affiliations" We have updated this section of our disclosure to reflect the payments RBC CM receives from the routing of orders to market centers and how we mitigate this conflict of interest.

ADVISORY PROGRAMS TERMS & CONDITIONS AND DISCLOSURE DOCUMENT OFFER Correspondent Firm will provide you with a new Terms & Conditions and Disclosure Document\* without charge, upon request to your Financial Professional. Our Disclosure Document is also available on the SEC's website, [adviserinfo.sec.gov](https://adviserinfo.sec.gov).

## **Other Financial Industry Activities and Affiliations (Item 10)**

### **Affiliations**

LMK is registered as a securities broker-dealer and recommends to its advisory clients clearing through either RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, or TD Ameritrade, based on the electronic linkage available, the competitive commission structure and the services available. However, clients may elect to use the custodial and brokerage services of any licensed broker or trust company provided a satisfactory computer link can be established. LMK intends to continually review other custodial and transactional service providers to ensure that its clients receive competitive commission rates and high-quality execution. These relationships do not necessarily constitute a conflict of interest. LMK may receive minimal benefit from ticket charges from trades placed from RBC but not TD Ameritrade. LMK does receive a rebate from RBC on deposits in the RBC FDIC Insured Bank Deposit Program dependent on positive interest rates and assets in the RBC FDIC Insured Bank Deposit Program. There is no revenue sharing conflict for accounts custodied at TD Ameritrade. LMK does not have any relationships with futures or commodity entities. LMK IAR's may recommend outside investment advisors to clients. LMK has selling agreements, business referrals, or associations with other investment advisers, accounting firms, law firms, pension consultants and insurance companies and agencies.

## Activities

In addition to LMK, some IAR's are associated with other activities. These activities are described in the Brochure Supplement (Part 2b) and are separate and distinct from the advisory services we provide. Clients should be aware that the receipt of additional compensation by these IAR's creates a conflict of interest that may impair the objectivity of these individuals when making advisory recommendations. LMK and our IAR's endeavor at all times to put the interest of the client first as part of our Advisory duty as a registered investment adviser: we take the following steps to address this conflict:

- We disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our IAR's to earn compensation from advisory clients in addition to our advisory fees.
- We disclose to clients that they are not obligated to purchase recommended investment products from our advisors or affiliated companies.
- We collect, maintain and document accurate, complete, and relevant client background information, including the client's financial goals, objectives, and risk tolerance.
- Our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances.
- We require that our advisors seek prior approval of any outside employment activity so that we may ensure that any conflicts of interest in such activities are properly addressed.
- We monitor these outside business activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- We educate our advisors regarding the responsibilities of an Investment Advisory Representative, including the need for having a reasonable and independent basis for the investment advice provided to clients.

## Code of Ethics, Participation or Interest in Client Transactions and Personal Trading (Item 11)

### Code of Ethics

LMK has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and Advisory duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition of insider trading, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedure, among other things. All supervised persons at LMK must acknowledge the terms of the Code of Ethics annually, or as amended. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

### Participation or Interest in Client Transactions

LMK and its employees may at times buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades; however, block trades may contain client and employee trades in the same block. Employees comply with the provisions of the LMK Code of Ethics. These procedures are designed to ensure that the personal securities transactions, activities, and interests of the employees of LMK will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

The Chief Compliance Officer of LMK is Mike Bell. He is assisted in this role by Robert Chess. All employee trades are reviewed by either Kristin Hobbs, Mike Bell, or Robert Chess. Mike Bell's personal trades are reviewed by Kristin Hobbs or Robert Chess. Kristin Hobbs, Mike Bell, or Robert Chess may have client accounts. The personal trading reviews ensure that the personal trading of employees is not based on inside information and that clients of the firm receive preferential treatment.

## Brokerage Practices (Item 12)

### Selecting Brokerage Firms

LMK recommends to some of its advisory clients the brokerage services of L.M. Kohn & Company, clearing through RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. All LMK Investment Advisory

Representatives (IAR's) are Registered Representatives of L.M. Kohn & Company. LMK currently recommends RBC based on the electronic linkage available, the competitive commission structure, and the services available. However, clients may elect to use the custodial and brokerage services of any licensed broker or trust company provided a satisfactory computer link can be established. LMK intends to continually review other custodial and transactional service providers to ensure that its clients receive competitive commission rates and high-quality execution. This relationship does not constitute a conflict of interest.

Securities traded through RBC for investment advisory clients are not charged commissions or ticket fees per trade unless the advisory contract between the IAR and the client clearly states that commissions or ticket charges will be charged in addition to the advisory fee. Sometimes trades are bunched so that multiple clients are making a purchase or sale of the same security. These shares are purchased/sold at the average cost per trade executed that day. Please note, when a Third-Party Manager is hired to trade in client accounts, that manager is responsible for all trading and execution. There are instances where the Third-Party Manager does not utilize average price for all customer trades. This could be due to several different scenarios including the client requesting to raise cash, traders receiving signals at different times in the day, or the same manager trading the same security for different strategies. In the event the total number of shares in the original order is not executed that day, the actual number of shares purchased/sold is pro-rated on an equitable basis, reserving the right to use round lots for practical purposes. For clients that are invested in mutual funds, in addition to the fees that LMK charges for investment advisory services, there are additional advisory charges levied by the mutual fund group. LMK does not share in these additional fees, and it is our policy for IAR's to always select the lowest expense share class of a particular fund. If the lowest expense share class of a particular fund - including no load mutual funds, institutional share class mutual funds or Class A share mutual funds purchased at NAV - pay additional fees to LMK (12b-1 fees), such charges are automatically rebated to client accounts.

LMK also participates in the institutional customer program offered by TD Ameritrade Institutional. TD Ameritrade Institutional is a division of TD Ameritrade Inc., member FINRA/SIPC/NFA. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance, and settlement of transactions. LMK receives a low-cost structure from TD Ameritrade through our participation in the program. We may recommend TD Ameritrade to our clients for custody and clearing services. There is no direct link between our firm's participation in the program and the investment advice we give to our clients, although we receive technological cost benefits as well as research benefits through our participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): zero commission charges on stocks and ETFs, duplicate client confirmations; research related products and tools; consulting services; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transactions fees and to certain Institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to LMK by third party vendors.

Products or services offered through TD Ameritrade may assist us in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help us manage and further develop our business enterprise. The benefits received by LMK or our advisors through the participation in the program do not depend on the amount of brokerage transaction directed to TD Ameritrade. Clients should be aware, however, that the receipt of economic benefits by LMK or our advisors in and of itself creates a potential conflict of interest and may indirectly influence our recommendations of TD Ameritrade for custody and clearing services.

## **Research and Other Soft Dollar Benefits**

LMK does not receive soft dollar benefits from the custodians to whom we recommend clients.

## **Directed Brokerage**

For convenience and cost, LMK recommends to its advisory clients the brokerage services of L.M. Kohn & Company, for custody and clearing through RBC Correspondent Services (RBC), a division of RBC Capital Markets, LLC, member NYSE/FINRA/SIPC. LMK clients custodied at TD Ameritrade will use TD Ameritrade's brokerage services. Although RBC and L.M. Kohn & Company are the recommended service providers, clients are not required to use either firm. Other alternatives may result in a lower cost to the client.

When more than one account is trading a particular stock or ETF on the same day, block trading may be used to get identical pricing on the trades. If a client elects to use their own broker dealer for trades, it may result in a higher cost because the trades will not be aggregated to achieve best price.

## **Review of Accounts (Item 13)**

### **Periodic Reviews**

LMK IAR's conducts regular, periodic, at least annually, formal reviews of its client's portfolios. LMK conducts trade reviews through systems including ProSurv and Financial Tracking Trade Sphere. Additional reviews may be triggered by prevailing market conditions and changes in client circumstances. Reviews may also be triggered by market conditions. All reviews are conducted by IAR's, using client risk profiles, suitability, and diversification as a guide. Trade reviews are done daily by authorized supervisors.

### **Review Triggers**

Account reviews for clients are performed more frequently when market conditions dictate, or when a client's objectives change. A review may be triggered by client request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

### **Regular Reports**

Clients receive monthly or quarterly brokerage account statements from their custodian. RBC clients can receive Portfolio View or LMK DASH Reports. TD Ameritrade clients can receive LMK DASH reports. Clients have the option of receiving these reports electronically or in hard copy. We encourage clients to compare their reports from LMK with the brokerage statements issued by their custodians.

## **Client Referrals and Other Compensation (Item 14)**

### **Incoming Referrals**

LMK has been fortunate to receive many client referrals over the years. The referrals have come from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other sources. The firm does not pay for referrals.

### **Referrals to Other Professionals**

LMK does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Custody (Item 15)**

### **Account Statements**

All assets are held at banks, broker dealers or other qualified custodians, who provide account statements directly to clients at their address of record at least quarterly. LMK urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our vendor performance reporting statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

### **SEC "Custody"**

According to a recent ruling by the SEC, investment advisers are deemed to have "custody" of client funds if certain conditions are met. From time to time, LMK may be technically considered to have "custody" of certain types of accounts, such as when a staff member acts as a trustee of an unrelated trust and LMK acts as the investment adviser to that trust. In this case, the SEC requires an annual surprise audit of those "custodied" accounts by an independent CPA firm.

## **Investment Discretion (Item 16)**

### **Discretionary Authority for Trading**

In a discretionary account, the customer gives the IAR or TPM the authorization to make purchases and sales in the account without first obtaining the customer's permission. In a non-discretionary account, the IAR must obtain the customer's permission to make purchases and sales.

LMK receives discretionary authority from clients at the time they sign the Advisory Services Agreement or the LMK Advisory Services Addendum. Choosing discretionary authority grants us the ability to determine, without obtaining the client's specific consent, the securities to be bought or sold for the portfolio, the quantity of securities to be bought or sold, and in most cases, the broker-dealer to be used and the commission rate to be paid if any (not to exceed amount indicated on advisory agreement). In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the

account, by considering the size of the account, and the risk tolerance.

Also, clients may sign an agreement with the custodian which generally includes a limited power of attorney granting LMK authority to direct and implement the investment and reinvestment of the assets within the account, but not to direct the assets outside of the account.

When selecting securities and determining amounts, LMK observes any investment policies, limitations and restrictions provided to us in writing. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

## **Voting Client Securities (Item 17)**

### **Proxy Votes**

As a matter of firm policy and practice, LMK does not have any authority to and does not vote proxies on behalf of advisory clients. However, a client may elect for a Money Manager to vote on their behalf in some cases. Clients retain the responsibility for receiving and voting proxies for all securities maintained in client portfolios. LMK may provide advice to clients regarding the clients voting of proxies. If you want clarification in voting proxies, please contact Mike Bell at 513-792-0301 or [comments@lmkohn.com](mailto:comments@lmkohn.com).

## **Financial Information (Item 18)**

### **Financial Condition**

LMK does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because LMK does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

## **Business Continuity Plan (Item 19)**

### **General**

LMK has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services, or key people.

### **Disasters**

The Business Continuity Plan (BCP) covers natural disasters such as snowstorms, pandemics, hurricanes, tornados, fire, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite. The current LMK BCP may be found at [www.lmkohn.com](http://www.lmkohn.com).

### **Alternate Offices**

Alternate work locations are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### **Loss of Key Personnel**

LMK has provisions in place for loss of key personnel as part of the Business Continuity Plan.

## **Information Security Program (Item 20)**

### **Information Security**

LMK maintains an information security program to reduce the risk that personal and confidential information may be breached.

### **Privacy Notice**

We are an independent registered investment advisor, committed to safeguarding the confidential information of our clients. Respect for our client's privacy is critical to the way we do business. Our privacy promise derives from basic principles of trust, ethics, and integrity.

The full version of our Privacy Notice is sent to clients within 30 days of signing a New Account form or Customer Acknowledgement form and annually thereafter. Clients may request a copy in advance (of signing) if they wish. Additionally, the full version of our Privacy Notice is available on our website, [www.lmkohn.com](http://www.lmkohn.com), under Form ADV/Privacy Notice.